

My primary drive for contributing to charitable causes stems from a desire to maximize the positive impact I can have. As a result of this drive, I am concerned with identifying charities that can make the greatest difference to both Australians and people worldwide. In my opinion, governmental policies that prioritize impact and inspire confidence in the achievement of impact are crucial for realizing the objectives of this investigation.

This submission discusses:

- 1) Expanding DGR status to the high impact cause areas that align with the values of modern Australians (2.ii, 3.ii, 5, 6)
- 2) Allowing Public Benevolent Institutions to work across causes areas (2.iii, 3.i)

In my view, the top priority is to expand the DGR (Deductible Gift Recipient) status to cover issues that are important to the younger generation, such as minimizing global catastrophic risks and promoting animal welfare. I have a strong desire to engage with my community regarding the prevention of catastrophic disasters. However, currently, community organizations that focus on such risks seem to be limited to local volunteer fire departments. While I fully support the work of these departments, they are not aligned with my skills and interests. If organizations that concentrate on reducing catastrophic risks were granted DGR status, they would be better equipped to facilitate opportunities for me to collaborate with my peers and volunteer for a worthy cause. I am aware that many of my peers are concerned about future pandemics and the need to minimize the risk of nuclear warfare, especially in the aftermath of the COVID-19 pandemic and the conflict in Ukraine. These issues are of contemporary significance, yet the DGR regulations have not kept up with the times.

The regulation of Public Benevolent Institutions (PBIs) is outdated and needs to be integrated into the Charities Act. The Law Council of Australia and the ACNC (Australian Charities and Not-for-profits Commission) regularly debate the interpretation of cases from the 1930s and 1940s that define the scope of PBI operations. This is unproductive for organizations, communities, and their ability to carry out charitable work effectively. The legal discussion has lost sight of the original policy objectives.

An illustration of this lack of emphasis on outcomes is the controversy over the definition of "dominant purpose." Without delving into the legal arguments, the ACNC appears to believe that a PBI must prioritize its PBI-purpose as its "primary" purpose, and thus cannot have other objectives outlined in the Charities Act. The Law Council believes that this interpretation misinterprets the meaning of "dominant purpose" and that having an objective from the Charities Act should not disqualify a PBI.

This is merely one instance, and the question of who is "correct" is irrelevant. What is crucial is that critical definitions outlining a charity's business practices are obscured in obscure case law that lacks a clear interpretation and does not align with the government's policy objectives. This approach is neither efficient nor effective.

In the case of "dominant purpose," it is evident that the government policy does not restrict a charity from pursuing several objectives. The Charities Act permits a charity to have multiple purposes, which is common sense. Requiring separate organizations for different charitable purposes does not serve any public policy goal (in fact, it creates administrative inefficiencies that are contrary to good public policy). This has real-world implications for how PBIs can fundraise, perform impactful work, and assist their communities.

The term "dominant purpose" is just one instance of common law that is no longer useful. Other phrases like "direct relief" are also causing confusion.

I recommended that the Productivity Commission suggest revisions to the Charities Act to supersede the common law and establish a new category of charity that is not incompatible with other charity types. The specifics can be resolved through consultation led by the ACNC and government decisions.

In general, Australian charity regulation is outdated. The majority of charities with DGR status do not align with my personal values or those of my peers. Consequently, charities are not prioritizing many of the issues that matter to me, and are failing to provide meaningful community support and volunteering opportunities.

The Productivity Commission has an opportunity to propose changes that will realign the sector with the values of contemporary Australians. By emphasizing the importance of impact, the sector can achieve more good, attracting donations and building the community support that younger Australians need. I have observed that many talented Australians who share my values are leaving for the UK or USA to engage in high-impact charity work because Australia lacks a functional ecosystem for their values. This trend is negatively impacting our community, democracy, and future.